



AGENDA
REGIONAL CONTINUUM OF CARE COUNCIL
Tuesday, October 30, 2012
10:00 AM –11:30 AM
National University
9388 Lightwave Avenue, San Diego

- CALL TO ORDER and ATTENDANCE ROLL
- APPROVAL OF MINUTES: September 2012
- SUBCOMMITTEE and LIAISON REPORTS
 - Action Team Updates - Team Leaders / Steering Liaisons
 - HAWK – Data Governance – Mielle Schwartz, Holly Younghans, Craig Jones
 - HMIS – PITC – AHAR – Dolores Diaz
 - Housing and Services – Rosemary Johnston, Dave Siegler
 - Governance and Administration – Lila Fetherolf
 - Plan and Planning -
 - HUD Technical Assistance Plan
 - November 28th HWG Session
 - Capacity Building
 - Subgroup and Liaison Reports
 - Legislative Liaison – Rosemary Johnston
 - Manual Committee – Noelle Kester
 - Project Homeless Connect – Laurin Pause / Rosemary Johnston
 - Rating and Review – Larissa Tabin, Holly Younghans
 - Alliance for Regional Solutions- Patti Hamic Christensen
 - Commercial Sexual Exploitation-Human Trafficking – Holly Hepburn
 - Keys to Housing – Laurin Pause – Dolores Diaz
 - MHSA - Tricia Tasto Levien
 - SD Housing Federation – Jon Derryberry
 - Employment – Dave Siegler
- STEERING GROUP Report
 - 2012 HUD Competition Notices
 - Operating Costs Changes – Response Needed
 - APR Inconsistencies
 - CoC 2012 Competition Registration – Allocations
 - Collaborative Assessment and Coordinated Entry
 - AB109 Homeless Housing Pilot Project – CCP Approval
 - ESG Awards
- ANNOUNCEMENTS/ OTHER BUSINESS / Adjourn
 - Thank you

Regional Continuum of Care Council

Comparison of SHP / Shelter Plus Care and CoC under HEARTH

ELIGIBLE ACTIVITIES

	CoC HEARTH (New rules)	Supportive Housing (SHP) – OLD Rules	Shelter Plus Care (S + C) OLD Rules
Eligible Components	<input type="checkbox"/> Permanent housing <ul style="list-style-type: none"> ➤ Permanent supportive housing (PSH) ➤ Rapid re-housing (RRH) <input type="checkbox"/> Transitional housing (target 30 days)	<input type="checkbox"/> Permanent housing (PSH only) <input type="checkbox"/> Transitional housing (maximum assistance 2 years) <input type="checkbox"/> Supportive services only <input type="checkbox"/> Safe havens <input type="checkbox"/> Innovative supportive housing <input type="checkbox"/> HMIS	<ul style="list-style-type: none"> ➤ Tenant-based ➤ Sponsor-based ➤ Project-based ➤ SRO-based
Eligible Costs			
	CoC HEARTH (New rules)	Supportive Housing (SHP) – OLD Rules DO NOT USE	Shelter Plus Care (S + C) OLD Rules DO NOT USE
Administration and Planning	<input type="checkbox"/> 3% CoC planning costs <input type="checkbox"/> 3% UFA costs <input type="checkbox"/> 7% Project administration	<input type="checkbox"/> 5% Project administration	<input type="checkbox"/> 8% administration included in voucher allocation

Regional Continuum of Care Council

Housing / Rental Assistance I	<input type="checkbox"/> Acquisition (No cap) <input type="checkbox"/> Rehabilitation <input type="checkbox"/> New construction <input type="checkbox"/> Leasing <input type="checkbox"/> Rental assistance ➤ Type – PSH <input type="checkbox"/> Tenantbased <input type="checkbox"/> Sponsorbased <input type="checkbox"/> Projectbased <input type="checkbox"/> Rapid Rehousing ➤ Length <input type="checkbox"/> Shortterm <input type="checkbox"/> Mediumterm <input type="checkbox"/> Longterm	<input type="checkbox"/> Acquisition (\$400,000 cap) <input type="checkbox"/> Rehabilitation <input type="checkbox"/> New construction <input type="checkbox"/> Leasing	<input type="checkbox"/> Rental assistance ➤ Type <input type="checkbox"/> Tenantbased <input type="checkbox"/> Sponsor based <input type="checkbox"/> Projectbased <input type="checkbox"/> SRO <input type="checkbox"/> Longterm only
Operations	<input type="checkbox"/> Operating (limited to 7 activities, listed below) <input type="checkbox"/> The maintenance and repair of housing <input type="checkbox"/> Property taxes and insurance <input type="checkbox"/> Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost) <input type="checkbox"/> Building security for a structure where more than 50% of the units or area is paid for with grant funds <input type="checkbox"/> Electricity, gas, and water <input type="checkbox"/> Furniture <input type="checkbox"/> Equipment	<input type="checkbox"/> Operating (including but not limited to:) <input type="checkbox"/> Conducting <u>on-going assessments</u> of the supportive services and housing needed by residents <input type="checkbox"/> Relocation assistance under § 583.310, including payments and services and insurance. <input type="checkbox"/> Maintenance /repair <input type="checkbox"/> Supplies related to housing operations <input type="checkbox"/> Insurance <input type="checkbox"/> Relocation expenses <input type="checkbox"/> Salaries of staff who are not delivering support services <input type="checkbox"/> Utility costs: gas, heat, electric	

Regional Continuum of Care Council

	<p>Operations may not be combined with rental assistance costs in the same project, and operating costs are not eligible in SSO projects</p> <p>Only staff costs directly related to carrying out any of the 7 eligible costs listed above</p>	<p><input type="checkbox"/> Desks, computers, phones used by staff (not resident phones)</p> <p><input type="checkbox"/> Furnishings (beds, dressers, etc)</p> <p><input type="checkbox"/> Equipment (refrigerators, stoves)</p> <p><input type="checkbox"/> Food (prepared – not delivered to clients for them to prepare, not for entertaining)</p>	
Supportive Services	<p><input type="checkbox"/> Supportive services (limited to 16 services listed below)</p> <p><input type="checkbox"/> Annual assessment of service needs</p> <p><input type="checkbox"/> Assistance with moving costs</p> <p><input type="checkbox"/> Case management</p> <p><input type="checkbox"/> Child care operations or vouchers</p> <p><input type="checkbox"/> Education services</p> <p><input type="checkbox"/> Employment assistance and job training</p> <p><input type="checkbox"/> Food (meals or groceries for program participants)</p> <p><input type="checkbox"/> Housing search and counseling</p> <p><input type="checkbox"/> Legal services</p> <p><input type="checkbox"/> Life skills training</p> <p><input type="checkbox"/> Outpatient mental health services</p> <p><input type="checkbox"/> Outpatient health services</p> <p><input type="checkbox"/> Outreach services</p> <p><input type="checkbox"/> Outpatient substance abuse treatment services</p> <p><input type="checkbox"/> Transportation</p> <p><input type="checkbox"/> Utility deposits</p>	<p><input type="checkbox"/> Supportive services (variety of services as identified in individual grants including but not limited to:)</p> <p><input type="checkbox"/> Alcohol and drug abuse services</p> <p><input type="checkbox"/> Assessment</p> <p><input type="checkbox"/> Case management</p> <p><input type="checkbox"/> Child care services</p> <p><input type="checkbox"/> Education services</p> <p><input type="checkbox"/> Employment assistance, counseling</p> <p><input type="checkbox"/> Food</p> <p><input type="checkbox"/> Housing search, placement, and counseling</p> <p><input type="checkbox"/> Legal services</p> <p><input type="checkbox"/> Life skills training</p> <p><input type="checkbox"/> Mental health services</p> <p><input type="checkbox"/> Nutritional counseling</p> <p><input type="checkbox"/> Outpatient health services</p> <p><input type="checkbox"/> Outreach services</p> <p><input type="checkbox"/> Other appropriate services</p>	<p><input type="checkbox"/> No S+C funds for services</p> <p>Support service must be provided as match 100%</p>

Regional Continuum of Care Council

		<input type="checkbox"/> Transportation	
HMIS	<input type="checkbox"/> HMIS Hardware <input type="checkbox"/> Equipment <input type="checkbox"/> Software costs <input type="checkbox"/> Training <input type="checkbox"/> Overhead <input type="checkbox"/> Staffing costs associated with contributing data to the HMIS designated by the CoC, or a comparable database	<input type="checkbox"/> HMIS- Equipment (server, computers, printers) <input type="checkbox"/> Software (software fees, user licenses, software support) <input type="checkbox"/> Services (training, hosting, programming) <input type="checkbox"/> Personnel (costs associated with staff) <input type="checkbox"/> Space and operations <input type="checkbox"/> Stipends to agencies <input type="checkbox"/> Other (please specify below)	

ADDITIONAL RULE CHANGES

Supportive Services Agreement	In housing programs, recipients and subrecipients may require program participants to take part in supportive services provided through the project as a condition of continued program participation, as long as the services are not disability-related (e.g., mental health, outpatient health services). Only projects whose primary purpose is to provide substance abuse treatment services may require program participants to take part in substance abuse treatment services as a condition of continued program participation.
Program Fees	Programs are no longer permitted to impose program fees on program participants.
Timeliness	<p>Construction must begin within 9 months of signing the grant agreement and must be completed within 24 months of signing the agreement; activities in the facility must begin within 3 months of completing construction.</p> <p>Recipients must distribute funds to subrecipients (in advance) no later than 45 days after a request and draw down funds at least once per quarter</p>
Occupancy Agreement	<p>Transitional Housing program participants must have signed lease or occupancy agreement that is for a term of at least one month and that ends in 24 months and cannot be extended.</p> <p>Permanent housing program participant must be the tenant on a lease for a term of at least one year that is renewable and is terminable only for cause.</p>

Regional Continuum of Care Council

Match Requirement	All eligible funding costs, except leasing, must be matched with no less than 25% cash OR INKIND match. This shift reflects a required roll up match requirement for the continuum as opposed to project specific cost category match requirement.
--------------------------	--

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

The purpose of this document is to provide a quick reference guide to citations for the new Continuum of Care (CoC) Program interim rule related to eligible program components and costs. Since the CoC Program is consolidating and replacing the Supportive Housing program (SHP regulation found at 24 CFR part 583) and the Shelter Plus Care program (S+C regulation found at 24 CFR part 582), the tables also provide citations for relevant sections in these legacy homeless assistance grants programs. Many of the highlights below are new to the regulations, but have been implemented in the past through the Notice of Funding Availability (NOFA) process. The highlights below pull from the regulatory language of the new CoC Program, but are paraphrased for concise explanation. These highlights will help to facilitate identifying and comparing regulatory changes that will affect CoC Program grant recipients and subrecipients and may have a direct impact on program design.

Program Components and Eligible Participants	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
General	578.37(a)	582.1 583.1(b) NOFA	CoC Program funds may be used under five program components: permanent housing (PH), transitional housing (TH), supportive services only (SSO), HMIS, and, for HUD designated High Performing Communities (HPCs), homelessness prevention. Administrative costs, and HMIS costs for contributing data, are eligible for all components.
Permanent Housing	578.37(a)(1)	Elements of 582.100 583.1(b)(2) NOFA	PH encompasses (1) permanent supportive housing (PSH) for persons with disabilities and families with one member who has a disability and (2) rapid re-housing (RRH) for homeless individuals or families with or without disabilities. RRH provides supportive services and short- and/or medium-term tenant-based rental assistance (RA). RRH: <ul style="list-style-type: none"> • Must follow CoC procedures for prioritizing eligible families and individuals • May set maximum amounts of assistance (percentage, months, or number of times) • May require participants to share in the cost of rent (rent calculation information is detailed) • Limits RA to a household to no more than 24 months • May provide supportive services for no longer than 6 months after RA stops • Must re-evaluate, not less than once annually, program participants’ need to retain housing • May require each participant to notify the program of changes in income or other circumstances • Must require participants to meet with a case manager at least once per month (exceptions are noted) Funds for PH may be used for acquisition, rehabilitation, new construction, leasing, RA, operating, and supportive services (some exceptions apply).
Transitional Housing	578.37(a)(2)	Elements of 583.1(b)(1)	TH facilitates the movement of homeless individuals and families into PH within 24 months of entering TH. Funds may be used for acquisition, rehabilitation, new construction, leasing, RA , operating, and supportive services.

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Program Components and Eligible Participants	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
Limitation on Transitional Housing	578.79	583.300(j)	TH participants may remain in TH for longer than 24 months as specified. However, HUD may discontinue assistance if more than half of a TH project’s participants remain longer than 24 months.
Supportive Service Only (SSO)	578.37(a)(3)	583.1 (b)(1)(4) 583.100	SSO provides supportive services, including street outreach, to unsheltered and sheltered homeless persons for whom recipients or subrecipients are not providing housing or housing assistance. Funds may be used for acquisition, rehabilitation, relocation costs, or leasing.
HMIS	578.37(a)(4)	NOFA	HMIS leads may lease or operate a structure in which the HMIS is operated and fund other costs related to administration of the HMIS, as specified in §578.57.
Homelessness Prevention	578.37(a)(5)		Funds may be used by recipients in HUD-approved High-Performing Communities for housing relocation and stabilization services and short-and/or medium-term RA, as described in 24 CFR 576.105 and 24 CFR 576.106, for persons who qualify as at risk of homelessness or who are homeless under Category 2 or Category 3 of the homeless definition.

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
General	578.37(b)	582.1 583.100 (a-c) NOFA	Funds are available to establish new housing or facilities to provide supportive services; expand facilities to increase the number of homeless persons served; bring facilities into compliance with standards per §578.87; preserve existing PH and supportive service facilities; provide supportive services for residents or homeless persons; continue funding PH when recipients have received funding under this part for leasing, supportive services, operating costs, or RA; establish and operate an HMIS or comparable database; and establish and carry out a CoC planning process and operate a CoC . Assistance will be available only in proportion to the use of the structure for eligible costs.
Acquisition	578.43	583.105	Funds may be used to pay up to 100 percent of acquisition of real property for use in providing housing or supportive services.
Rehabilitation	578.45	583.105 NOFA	Funds may be used to pay up to 100 percent of the cost of rehabilitating structures for housing or services, including energy measures and bringing a structure up to State and local government health and safety standards. Grant funds may not be used for rehabilitation of leased property.

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
New Construction	578.47	583.110 NOFA	Funds may be used to pay up to 100 percent of the cost of new construction, additions that increase floor area by 100 percent or more, and land associated with construction for use as housing. Applicant must demonstrate that costs of new construction are less than that of rehabilitation or that there are insufficient units available to be rehabilitated. Grant funds may not be used for new construction on leased property.
Leasing – General	578.49	583.115(a) NOFA	Where recipients or subrecipients lease a structure or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing to provide housing or supportive services for up to three years . Security deposits and utilities included in rent are eligible leasing costs. Funds may not be used for units or structures owned by the recipient (or related organization) unless HUD authorizes an exception. Funds will be awarded as leasing if the funds are going to be used (or are being used) to lease a unit or structure and the lease is between the recipient or subrecipient and the landowner.
Rental Assistance—General	578.51 (a-b,f) 578.49(b)(8)	582.100 582.105 (a-b)	Funds may be used for short-term (fewer than 3 months), medium-term (3 to 24 months), or long-term (more than 24 months) RA for homeless individuals and families per policies and procedures established by the CoC. The RA may be tenant-based, project-based, or sponsor-based and may be for TH or PH. Grant funds may be used for security deposits. RA may not be provided to a participant already receiving RA through another source. RA must be administered by a State, unit of general local government, or public housing agency. The amount of RA in each project is derived by multiplying the number and size of units proposed by the applicant by the Fair Market Rent (FMR) of each unit on the date the application is submitted to HUD, by the term of the grant. Funds will be awarded as rental assistance if the funds are going to be used (or are being used) to lease a unit and the lease is between the program participant and the landowner.
Transition (leasing funds)	578.49(b)(8)		In the first year a project applies for funding under the CoC Program, funds for leasing funds will be renewed as either grants for leasing or RA, depending on project characteristics. Leasing funds will be renewed as RA if the funds are used to pay rent on units where the lease is between the program participant and the landowner. Leasing funds will be renewed as leasing if the funds are used to lease a unit or structure and the lease is between the recipient or subrecipient and the landowner.

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
Tenant-Based Rental Assistance	578.51(c)	582.100(a)	Tenant-based rental assistance (TBRA) is RA in which participants choose housing of an appropriate size. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Up to five years' worth of RA may be awarded in one competition. Program participants retain RA if they move within the CoC's geographic area. Program participants who have been a victim of domestic violence, domestic violence, dating violence, sexual assault, or stalking may retain RA and move to a different CoC for safety (clarifies circumstances for retaining assistance).
Sponsor-Based Rental Assistance	578.51(d)	582.100(c)	Sponsor-based rental assistance (SBRA) is provided through contracts between the recipient and sponsor organization. Program participants must reside in housing owned or leased by the sponsor. Up to five years' worth of RA may be awarded to a project in one competition.
Project-Based Rental Assistance	578.51(e)	582.100(b)	Project-based rental assistance (PBRA) is provided through a contract with the owner of an existing structure where the owner agrees to lease the subsidized units to participants. Program participants do not retain RA if they move. Up to 15 years of RA may be awarded in one competition.
Grant Payment	578.51(h)	582.105 (c)(2)	A recipient must serve at least as many participants as shown in its application. For TBRA, up to 25 percent (or more, if approved in advance by HUD) of the total RA awarded may be spent in any year of a five-year term. If the amount reserved for RA exceeds the amount needed to pay actual costs, recipients or subrecipients may use excess funds to cover property damage, to cover rent increases, or to serve a greater number of participants.
Vacancies and Property Damage	578.51 (i,k)	582.105 (d,f)	RA may continue for a maximum of 30 days from the end of the month in which any unit was vacated. No additional assistance is paid until the unit is occupied by another eligible person. Vacancies do not include brief periods of stays in institutions, not to exceed 90 days each. Up to one month's rent worth of grant funds may pay for damage to housing caused by a participant once per participant, per unit, at exit from a unit.

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
Supportive Services	578.53	582.300 (b-c) 582.325 583.120	<p>Funds may be used to pay eligible costs of supportive services to assist program participants in obtaining and maintaining housing. Any cost that is not described as an eligible cost under this section is not an eligible cost. Labor, supplies, and materials for directly providing supportive services to program participants is eligible.</p> <p>Eligible supportive services costs are:</p> <ul style="list-style-type: none"> • Annual assessment of service needs • Assistance with moving costs • Case management • Child care (operating or vouchers) in licensed centers for children under age 13 or for children under age 18, if disabled • Education services • Employment assistance and job training • Food (meals or groceries for program participants) • Housing search and counseling services • Utility deposits • Legal services (immigration, citizenship, and mortgage/homeownership legal matters are ineligible) • Life skills training • Mental health services • Outpatient health services • Outreach services (including work-related transportation and cell phone) • Substance abuse treatment services • Transportation (transportation for program participants, mileage for service workers, vehicles, and more, as specified) <p>All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking. Staff training/licenses/certifications are not eligible supportive services costs.</p> <p>Supportive services must be made available to TH residents throughout the duration of their residence and may be made available to former residents of TH and current residents of PH who were homeless in the previous six months for no more than six months after leaving TH or homelessness, respectively. PSH projects must provide supportive services for the duration of a participant's residence. RRH participants must meet with a case manager at least once per month.</p>

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
Operating Costs (Transitional Housing and Permanent Housing)	578.55(a-c)	583.125 (a-b)	<p>Funds may be used to pay the operating costs of TH and PH in a single structure or individual housing units.</p> <p>Eligible operating costs are:</p> <ul style="list-style-type: none"> • The maintenance and repair of housing • Property taxes and insurance • Scheduled payments to a reserve for replacement of major systems of the housing • Building security • Electricity, gas, and water • Furniture • Equipment <p>Funds may not be used for RA and operating costs in the same project. Funds may not be used for the operating costs of emergency shelters and SSO facilities or for the maintenance and repair of housing where those costs are included in the lease.</p>
HMIS (CoC Project HMIS Eligible Costs)	578.57	NOFA	<p>Recipients or subrecipients may use funds to pay the costs of contributing data to the HMIS designated by the CoC, or a comparable database, in compliance with HMIS requirements. Eligible costs include purchasing or leasing computer hardware, software, licenses, or equipment; obtaining technical support; leasing office space; paying the costs of utilities and high-speed data transmission needed for the HMIS; paying salaries for operating the HMIS; costs of staff travel to attend HUD-sponsored and HUD-approved training in HMIS; and paying participation fees charged by the HMIS lead, as authorized by HUD.</p>
HMIS (HMIS Lead Costs)	578.57 (a)(2)		<p>If the recipient or subrecipient is the HMIS lead, it may also use CoC funds to pay the costs of hosting and maintaining HMIS software or data; backing-up, recovering, or repairing HMIS software or data; upgrading, customizing, and enhancing the HMIS; integrating and warehousing data; administering the HMIS; reporting to providers, the CoC, and HUD; and conducting training in use of the system, including travel to attend training.</p>
Project Administration	578.59	583.135	<p>Up to 10 percent of any grant awarded, excluding the amount for CoC planning activities and UFA costs, may be used for the payment of project administrative costs related to the planning and execution of CoC-funded projects.</p> <p>Eligible costs include:</p> <ul style="list-style-type: none"> • General management, oversight, and coordination • Environmental review • Training on CoC Program requirements

PROGRAMMATIC CROSSWALK OF CHANGES:

CONTINUUM OF CARE PROGRAM, SUPPORTIVE HOUSING PROGRAM, AND SHELTER PLUS CARE PROGRAM REGULATIONS

Eligible Costs	CoC Program Interim Rule	Legacy Homeless Programs	Highlights of the CoC Program Interim Rule (changes noted in bold)
Relocation	578.61(a)	582.335 (d)(2) 583.310 (d)(2)	Relocation costs under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) are eligible.
Indirect Costs	578.63		Funds may be used to pay indirect costs in accordance with OMB Circulars A-87 or A-122, as applicable. Indirect costs may be allocated to each eligible activity, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circulars A-87 or A-122. The indirect costs charged to an activity must be added to the direct costs charged for that activity when determining the total costs subject to any expenditure limits.